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AF 3621



PATENT APPLICATION

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE HONORABLE BOARD OF PATENT APPEALS AND INTERFERENCES

In re the Application of

Masaki KYOJIMA et al.

Group Art Unit: 3621

Application No.: 09/678,031

Examiner: D. Le

Filed: October 3, 2000

Docket No.: 107500

For: LICENSE-ISSUING SYSTEM AND METHOD

REPLY BRIEF

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

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Sir:

The following remarks are directed to the new points of argument raised in the
Examiner's Answer dated February 18, 2004.

REMARKS**Examiner's Answer Argument 11.A.**

Starting on page 13, the Examiner's Answer asserts that "Applicant took issue with the term 'explicitly disclose' as used above. Examiner meant 'explicitly recite'. To clear this misreading of the rejection, the rejection as currently written is the Claims Rejection Section above currently states that the reference does not 'explicitly recite' the missing limitation."

However, Appellants respectfully submit that the terms at issue are "clearly taught," rather than "explicitly disclose" or "explicitly recite." The final Office Action states that Ginter discloses all the features of claims 1-48, except for one feature, and admits that Ginter does not explicitly disclose the recited "license-issuing center being independent" feature. Then, the final Office Action continues by stating that this allegedly missing feature is "clearly taught" by Ginter, and by asserting that the rationale that the allegedly missing feature is "clearly taught" by Ginter is found in an analysis of Ginter found on pages 3 and 4 of the final Office Action.

The Office Action, in effect, states that Ginter does disclose and teach the claimed invention and that Ginter does not disclose and teach the claimed invention. This contradiction forms the basis for the rejection. Such a contradiction fails to provide a clear basis for the rejection and denies Appellants procedural and substantive due process rights that they are entitled to at least under the Administrative Procedures Act. Furthermore, such a basis for the final rejection is fundamentally unsound, and, accordingly, the rejection is improper and should be reversed.

Furthermore, the final Office Action then asserts that it would be obvious "that a license-issuing center may be set up according to Ginter's methods and systems to be totally independent of all other participating entities in such systems, should there be a business

reason to do so." The Office Action concludes by stating, "as such, claims 1-48 are unpatentable over Ginter."

Appellants submit that the final Office Action's alleged motivation to modify Ginter to render the claimed invention obvious - i.e., "should there be a business reason to do so" - is a fundamentally improper motivation. The use of "should there be a business reason to do so" is not only hypothetical, and therefore, finds no factual basis in Ginter, it is sheer speculation. It is well settled that a rejection must be based on facts, not speculation. As stated in In re Gpac Inc., 35 USPQ2d 1116 (Fed. Cir. 1995), "We believe that this statement by the Board in support of its rejection of claim 2 is conclusory and lacks the factual basis required to validate a claim rejection under §103." See In re Warner, 379 F.2d 1011, 1017, 154 USPQ 173, 178 (CCPA 1967) ("a rejection based on §103 must rest on a factual basis, and these facts must be interpreted without hindsight reconstruction of the invention from the prior art ... [the Board] may not ... resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis.")

Accordingly, for the aforementioned reasons, the rejection of claims 1-48 under 35 U.S.C. §103(a) is improper and should be reversed.

Examiner's Answer Argument 11.B.

Starting on page 14, the Examiner's Answer asserts "Ginter explicitly teaches that each participant in his invention may fulfill a role of an independent licensor of digital content." Appellants submit that the disclosure of Ginter does not support this assertion, and in fact, no participants disclosed by Ginter fulfill the role of an independent licensor of digital content "independent from the at least one of the provider and the seller" of digital content, as recited in claim 1.

According to the Examiner's Answer beginning on page 14, the participants alleged to fulfill the role of an independent licensor are the "information utility" 200, "permissioning

agent" 200f, "VDE administrator" 200h, "VDE rights distributor" 106 and "control structure library" 3342. Nowhere is the "control structure library" 3342 or the "VDE administrator" 200h disclosed as being independent license issuing centers. In fact, the VDE administrator 200h is described simply as providing "information that keeps the virtual distribution environment 100 operating properly." (See column 55, lines 56-58).

Further, none of the "information utility" 200, the "permissioning agent" 200f, or the "VDE rights distributor" 106 is disclosed as being independent from the provider or the seller of digital content. For example, in column 54, lines 40-43, Ginter discloses "video production studio 204 may, through information utility 200, make the exercise video available in 'protected' form to all consumers 206, 208, 210. Video production studio 204 may also provide 'rules and controls' for the video." Therefore, information utility 200 is clearly not independent from video production studio 204.

Similarly, the "VDE rights distributor" 106 is depicted in Figure 2 as receiving the rules and controls from the content creator 102. Furthermore, column 56, lines 13-15 discloses "the content creator 102 sending out 'rules and controls' associated with the content to a VDE rights distributor 106." Accordingly, the VDE rights distributor 106 is also clearly not independent from the content creator 102.

Lastly, the "permissioning agent" 200f is described in column 55, lines 54-56 as distributing " 'rules and controls' granting usage or distribution permissions based on a profile of a consumer's creditworthiness, for example." The "permissioning agent" 200f is further described in column 55, lines 37-38: "Information utility participants 200a - 200g could each be an independent organization/business." However, this statement only identifies the information utility participants 200a - 200g as being independent from one another. It does not disclose that they are independent from the provider or the seller of digital content. In fact, since they are included in information utility 200, which is not independent from the

provider or seller of the digital content, the information utility participants 200a - 200g are also not independent from the provider or the seller of digital content.

Therefore, the Examiner's Answer has failed to cite any passage or component of Ginter which may fulfill the role of an independent licensor of digital content, independent of the provider or seller of digital content. Therefore, Ginter does not disclose each and every feature recited in claim 1. Accordingly, the rejection of claims 1-48 under 35 U.S.C. §103(a) is improper and should be reversed.

Examiner's Answer Argument 11.C.

Starting on page 15, the Examiner's Answer asserts that "the arguments presented in the Request for Reconsideration do not substantially differ from those presented in the first amendment." Appellants respectfully disagree.

The Request for Reconsideration filed on June 10, 2003 discussed all the grounds of rejection in the final Office Action in detail. The Request for Reconsideration analyzed each cited passage from the final Office Action, and demonstrated that the cited passages did not disclose the claimed features.

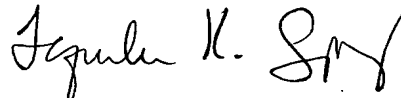
Furthermore, the Request for Reconsideration pointed out that the failure of the final Office Action to establish a one-to-one correspondence between each positively recited claim feature and a corresponding feature disclosed in Ginter left Applicants at a loss as to which disclosed feature of Ginter allegedly disclosed the features recited in the claims. The Request for Reconsideration argued that the failure of the final Office Action to provide sufficient specificity to enable the Applicants to respond denied Appellants procedural and substantive due process rights that they are entitled to at least under the Administrative Procedures Act.

The Advisory Action failed to address any of these aspects of the Request for Reconsideration.

Conclusion

In view of the foregoing, Appellants respectfully submit that the final rejection of record is improper, and that Ginter neither discloses nor suggests nor renders obvious the invention recited in claims 1-48. The final Office Action fails to establish a *prima facie* case of obviousness of the invention recited in claims 1-48. Thus, rejection of claims 1-48 under 35 U.S.C. §103(a) over Ginter should be reversed. The Honorable Board is requested to reverse this rejection and return the application to the Examiner to pass this application to issue.

Respectfully submitted,



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Date: April 19, 2004

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